

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET TEST OF EXPERIMENTAL PRODUCT –
GIFT CARDS

Docket No. MT2011-2

**MOTION OF THE UNITED STATES POSTAL SERVICE
FOR TEMPORARY EXTENSION OF
GIFT CARDS MARKET TEST
(June 18, 2013)**

Pursuant to 39 USC § 3641(d)(2), the United States Postal Service hereby moves for a temporary extension of the Gift Cards market test. The market test began on June 27, 2011, and is set to expire on June 27 2013. Though the Gift Cards market test has been successful, the Postal Service seeks to improve sales as part of its assessment of whether to add Gift Cards to the Mail Classification Schedule product list.

As discussed in the Postal Service's Notice of Market Test of Experimental Product (Notice),¹ the Gift Cards offering provides customers the ability to purchase a gift card loaded with a specified sum of money, which may be sent through the mail. Between June 2011 and May 2013 the market test has generated over \$1.37 million in revenue for the Postal Service. The Postal Service recently decided on a plan to improve sales, including for the first time offering some of the top selling closed loop cards (redeemable only at particular retailers). The Postal Service needs additional time for the market test in order to implement and evaluate its new sales efforts.

¹ Docket No. MT2011-2, Notice of the United States Postal Service of Market Test of Experimental Product – Gift Cards (January 11, 2011).

Accordingly, the Postal Service requests an extension of the current market test through the end of January, 2014.

Because of the timing of this decision, the Postal Service regrettably was unable to request an extension at least 60 days before the expiration of the market test, as required by 39 USC section 3641(d)(2). The Postal Service therefore requests a waiver of this requirement, and does not believe a waiver would prejudice any interested person. Similar requests have been granted in Order No. 742, at 4-5 (Collaborative Logistics), and Order No. 1577, at 3-4 (Alternate Postage). Because of the short time until the Gift Cards market test will expire, and the value of providing adequate time for interested parties to comment, the Postal Service also asks the Commission to follow the process it used in the Collaborative Logistics case. In that case (Docket No. MT2009-1), the Commission used its Notice and Order to extend the market test for one month, allowing time to develop a record on which to evaluate the request for extension. Order No. 720, at 2 (April 28, 2011).

The market test statute (39 U.S.C. § 3641) contemplates the need for a market test to be extended beyond the 24-month period normally authorized under 39 U.S.C. § 3641(d)(1). In particular, section 3641(d)(2) states that a market test may be extended for an additional 12 months “If necessary in order to determine the feasibility or desirability of a product being tested under this section.” Here, the Postal Service needs more time to determine the impact of its efforts to improve sales, as well as the demand for closed loop cards. Accordingly, the Postal Service respectfully submits that a temporary extension of the Gift Cards market test, until January 31, 2014, would not only be appropriate under these circumstances, but would also be consistent with the

intent of the statute.² The Postal Service does not believe that such an extension would prejudice any party.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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² The Commission granted a similar extension for the Alternate Postage market test in Docket No. MT2011-1. See Order No. 1577: Order Granting Motion Concerning Market Test (December 13, 2012).